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Summary record of the 37th meeting
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Chairman: Mr. Yousfi ..... (Algeria)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

Contents

Agenda item 122: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*)

Agenda item 125: United Nations common system (*continued*)

Agenda item 126: United Nations pension system (*continued*)

Agenda item 131: Scale of assessments for the apportionment of the expenses of United Nations peacekeeping operations (*continued*)

Agenda item 117: Programme budget for the biennium 2006-2007 (*continued*)

Agenda item 116: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Closure of the work of the Fifth Committee at the main part of the sixty-first session of the General Assembly

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The meeting was called to order at 8.25 p.m.

Agenda item 122: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*) (A/C.5/61/L.28)

Draft resolution A/C.5/61/L.28: Scale of assessments for the apportionment of the expenses of the United Nations

1. *Draft resolution A/C.5/61/L.28 was adopted.*

2. **Mr. Shinyo** (Japan), speaking in explanation of position, said that the decision to join the consensus had not been an easy one. While the consensus was far from a perfect conclusion to the deliberations, it represented the best possible compromise that could be reached in the interest of improving the regular budget burden-sharing structure by making it more equitable, a major concern for his delegation. While his delegation accepted the fundamental principle of capacity to pay, the existing rules did not ensure equity. Although the draft resolution represented a modest step in addressing the existing inequity, further work was needed to rectify the unfairness of the current situation. When the Committee considered the scale of assessments for the regular budget in 2009, it would also be negotiating the peacekeeping scale methodology at the same time; that would represent an important opportunity to enhance the fairness of the burden-sharing structure of the Organization.

3. **Mr. Turk** (Estonia), explaining his delegation's position, said that his Government had been willing to accept a rate of assessment of 0.021 per cent under the scale of assessments for the regular budget for the years 2007, 2008 and 2009, as recommended in the report of the Committee on Contributions (A/61/11). That figure accurately reflected Estonia's capacity to pay based on the current scale methodology. Owing to late developments, Estonia's rate of assessment had been reduced to 0.016 per cent. As a firm supporter of the Organization and based on its capacity to pay, his Government would find additional means of supporting United Nations institutions and their activities.

4. **Ms. Pataca** (Angola), explaining her delegation's position, said that the consensus on the scale reflected the principle that the expenses of the Organization should be apportioned on the basis of capacity to pay.

Agenda item 125: United Nations common system (*continued*) (A/C.5/61/L.27)

Draft resolution A/C.5/61/L.27: United Nations common system: report of the International Civil Service Commission

5. **Mr. Rashkow** (United States of America) said that his delegation dissociated itself from the consensus on the draft resolution. Hazard pay had long been acknowledged to represent a payment of a symbolic nature. His Government appreciated the difficulties faced by those serving in areas covered by hazard pay. It was important to identify all possible ways to recognize staff for the difficulties they faced, and it was unfortunate that resistance had been shown to approving a temporary increase while other measures to acknowledge such service were being considered.

6. The purpose of the education grant was to cover a portion of the expenses commonly associated with attaining the first degree granted to eligible dependants. The established education grant generously compensated staff. The proposed change would favour one set of students by paying for a portion of an advanced degree, thereby creating an inequity in the benefits offered to staff.

7. *Draft resolution A/C.5/61/L.27 was adopted.*

Agenda item 126: United Nations pension system (*continued*) (A/C.5/61/L.29)

Draft resolution A/C.5/61/L.29: United Nations pension system

8. **Mr. Rashkow** (United States of America) said that his delegation supported the work of the United Nations Joint Staff Pension Fund in providing retirement, death, disability and related benefits. It appreciated the work of the United Nations Joint Staff Pension Board and its ongoing study of the situation of pensioners living in countries having undergone dollarization. Upon initial review in 2004, the Board had found that the impact of dollarization on retirees and beneficiaries in Ecuador was comparable to the conditions experienced by other retirees living in countries experiencing high inflation rates and fixed, stable exchange rates with respect to the dollar for extended periods. The impact of dollarization was a matter of concern and required objective review. In July 2006, the Board had decided to request the Chief

Executive Officer to visit Ecuador to meet with the Fund's retirees, to continue analysing the matter further and to report on the subject during the next session of the Board (A/61/9, para. 204). While his delegation remained attached to the principle of consensus-based decisions in the Fifth Committee, it could not join the consensus on a draft resolution that prejudged the outcome of the Board's ongoing study of the matter.

9. *Draft resolution A/C.5/61/L.29 was adopted.*

10. **Ms. Lock** (South Africa), speaking on behalf of the Group of 77 and China and explaining her delegation's position, recalled that the Group had earlier voiced its concern at the lack of action taken in response to General Assembly resolution 59/269, which had invited the Board to provide information on proposals to attenuate the adverse consequences of the dollarization process on retirees and beneficiaries living in Ecuador. Ecuador had been specifically identified as the only country in which that process had led to a problem in the system. The Group welcomed the adoption of the draft resolution but noted with concern that one delegation had dissociated itself from the consensus. It looked forward to action by the Board by July 2007.

11. **Ms. Riofrío** (Ecuador), explaining her delegation's position, said that her delegation welcomed the adoption of the draft resolution, which should provide the Board with the mandate to attenuate the adverse effects of the dollarization process on retirees and beneficiaries living in Ecuador. Her delegation expected the Chief Executive Officer of the Board to visit Ecuador as soon as possible, with a view to implementing measures by July 2007. She noted with concern that one delegation had dissociated itself from the consensus — draft resolution A/C.5/61/L.29 did not have major financial implications and did not establish a precedent. It sought fair treatment for the retirees and beneficiaries of the United Nations system.

12. **Mr. Torres Lepori** (Argentina), speaking on behalf of Brazil, Guatemala and the Bolivarian Republic of Venezuela and explaining his delegation's position, said that his delegation associated itself with the statement made by Ecuador. He noted with concern that one delegation had dissociated itself from the consensus. The Board had reached the conclusion that the dollarization process had adversely affected the purchasing power of certain retirees and beneficiaries living in Ecuador. It was regrettable that the Board had not reached a consensus on how to address the problem, especially since General Assembly resolution 59/269 had requested the Board to provide information on proposals to attenuate the adverse consequences of dollarization. Draft resolution A/C.5/61/L.29 should offer a comprehensive and definitive solution.

Agenda item 131: Scale of assessments for the apportionment of the expenses of United Nations peacekeeping operations (*continued*) (A/C.5/61/L.26)

Draft resolution A/C.5/61/L.26: Scale of assessments for the apportionment of the expenses of United Nations peacekeeping operations

13. *Draft resolution A/C.5/61/L.26 was adopted.*

Agenda item 117: Programme budget for the biennium 2006-2007 (*continued*) (A/C.5/61/L.22, A/C.5/61/L.25 and A/C.5/61/L.30)

Draft decision A/C.5/61/L.22: Programme budget implications of draft resolution A/C.3/61/L.38/Rev.1, entitled "Situation of human rights in Myanmar"

14. *Draft decision A/C.5/61/L.22 was adopted.*

Draft resolution A/C.5/61/L.25: Consideration of special subjects

15. **Mr. Rashkow** (United States of America), referring to part IV of draft resolution A/C.5/61/L.25 on the identification of additional resources for the Development Account, said that his delegation dissociated itself from the consensus on the draft resolution. General Assembly resolution 60/246 had requested the Secretary-General to make recommendations on how additional resources in the region of $5 million could be added to the Development Account. The Secretary-General had noted that it was difficult to identify savings by programme managers that might be used to fund the Account, and that programme managers had invariably retained any savings that had accrued within a programme to meet rising demands for services within their programmes. As a result, the Secretary-General had been unable to identify savings that might be transferred to the Development Account.

16. Some Member States had interpreted General Assembly resolution 60/246 as representing an unqualified decision to add $5 million to the Development Account. His delegation interpreted the

resolution only as a commitment to identify such funds for transfer to the Development Account, based on the original intention of funding the Account utilizing productivity gains or savings. In view of the inability of the Secretary-General to identify such savings, draft resolution A/C.5/61/L.25 would simply appropriate $2.5 million in new funds for the Account and request that at the sixty-second session of the General Assembly the Secretary-General should submit a comprehensive report setting out recommendations on how an additional $2.5 million could be identified for transfer to the Account. His delegation strongly believed that, consistent with the original intention underlying the establishment of the Account, such an enlargement should not be funded by new appropriations or surpluses. If the General Assembly were to take the extraordinary step of departing from the original intention and from established practice, it must ensure that for the second proposed enlargement of $2.5 million the Secretary-General should explore all possibilities other than using appropriations and surpluses. One option would be to use savings resulting from a review of mandates, particularly in the area of development. The possibility of using savings resulting from programmatic shifts had been specifically identified by the Secretary-General in the context of the review of mandates.

17. *Draft resolution A/C.5/61/L.25 was adopted.*

18. **Ms. Lock** (South Africa), speaking on behalf of the Group of 77 and China and explaining her delegation's position, said that the Development Account had not received any additional allocation from savings since its inception. During the last budget negotiations the General Assembly had decided to allocate an additional $5 million to the Account and to request the Secretary-General to recommend ways in which those funds could be added. The Secretary-General had complied with that request. If Member States could not accept the Secretary-General's recommendations, it was incumbent on them to honour the political commitment to add $5 million to the Development Account. Her delegation hoped that the report requested in the draft resolution would assist Member States in demonstrating stronger support for the Development Account. She noted with concern that one delegation had dissociated itself from the consensus. Her delegation did not support the interpretation of draft resolution A/C.5/61/L.25 offered by the previous speaker, and expected the Secretary-General to strictly implement its provisions.

19. **Ms. Kuroda** (Japan), speaking in explanation of position said that her delegation had supported the establishment of the Development Account in 1997, to be funded from savings in administrative and other overhead costs. The appropriation of $2.5 million to the Development Account as an exceptional measure was a clear deviation from the resolution establishing the Account; she regretted that part IV of the draft resolution had not enjoyed the support of all Member States, since her delegation firmly supported consensus decision-making.

20. **Ms. Pehrman** (Finland), speaking on behalf of the European Union in explanation of position, said, with regard to part V of the draft resolution, that the European Union deeply regretted that the Committee was faced with revised estimates emanating from a resolution by the Human Rights Council that was inconsistent with a resolution on the same matter by the Third Committee. The legal basis for the budget request was unclear. While the European Union had not opposed the adoption of the revised estimates, that was without prejudice to its position on the substantive or financial issue.

21. **Mr. Hussain** (Pakistan) said, with regard to part VII, paragraph 6, of the draft resolution that it had been difficult for Member States to endorse the budget proposals for special political missions, a question which required further deliberation. The late issuance of documentation had not facilitated matters; in particular, he trusted that the relevant report of the Office of Internal Oversight Services (OIOS) would be available for consideration at the second part of the resumed sixty-first session in conjunction with the report of the Secretary-General requested in paragraph 6. Consideration of the scope of special political missions must embrace their conformity with Security Council and General Assembly mandates, failing which the Committee would be merely rubber-stamping decisions taken by other bodies.

22. **Mr. Safei** (Islamic Republic of Iran) said, with reference to part VII of the draft resolution, that his delegation wished to see a well-budgeted Organization and favoured a consensus-based approach. Nevertheless a more cautious and impartial approach should have been taken with regard to special political missions in sensitive regions. Regrettably, it was clear

from the reports of the special political missions that the special envoys and representatives concerned lacked impartiality and professionalism. The late issuance of documentation had hindered deliberations, and created unnecessary pressure. His delegation was also concerned that a lack of accountability and transparency would undermine the proper functioning of special political missions. A proper framework must be developed to address those issues, in which connection he welcomed the views of OIOS.

23. In accordance with the principles of results-based budgeting, the expected accomplishments and indicators of achievements and related output of special political missions must be clearly linked to their defined mandates, pursuant to General Assembly resolution 55/231, and not to the political considerations of individual Member States. The current situation, in which logical frameworks did not always correspond to results-based budgeting principles, was not acceptable. Special political missions mandated by Security Council resolutions should be funded on the basis of peacekeeping rates of assessment, unless there was a change in the way such missions were reviewed by the General Assembly. In particular, the Committee was being called upon to rubber-stamp provisions and reports relating to special political missions without properly exercising its function of reviewing the budgetary and programmatic aspects of such missions. Accordingly, it was not prudent for the General Assembly to include the financing of such missions within the regular budget framework if it could not perform its programmatic role appropriately.

24. **Ms. Udo** (Nigeria), speaking on behalf of the African Group, said that the African Group had joined the consensus on part VII of the draft resolution on the understanding that the Secretariat in implementing the recommendations of the Advisory Committee contained in paragraph 91 of its related report (A/61/640) would be guided by the Advisory Committee's comments in paragraph 90 of the same report. That would ensure that small political missions in Africa would receive full funding for their activities. Implementation of the draft resolution must not impact negatively on African missions. The Group also noted budgetary control weaknesses in respect of special political missions within the Department of Political Affairs, issues which must be addressed by the Secretary-General, including through the provision of adequate financial and human resources. Lastly, she commended the Secretary-General on his tireless use of his good offices in preventive diplomacy.

25. **Mr. Ramadan** (Lebanon) said that the logical frameworks for all the political missions concerning Lebanon and the related indicators of achievement were very beneficial for both Lebanon and neighbouring countries. His delegation would have preferred the indicators of achievement to have referred to violations of Lebanese sovereignty and the presence of foreign troops on Lebanese territory, but otherwise the logical frameworks were an exact reflection of Security Council mandates.

26. **Ms. Van Buerle** (Director, Programme Planning and Budget Division) said that a balance of $637,300 remained in the contingency fund.

27. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee had taken note of the balance remaining in the contingency fund.

28. **The Chairman** proposed that the Fifth Committee should recommend to the General Assembly that it should note that a balance of $637,300 remained in the contingency fund.

29. *It was so decided.*

Draft report of the Fifth Committee (A/C.5/61/L.30)

30. **The Chairman** drew attention to the draft report and invited the Committee to take a decision on the recommendations contained in chapter IV.

Draft resolution I: Questions relating to the programme budget for the biennium 2006-2007

31. **The Chairman** recalled that all sections of draft resolution I had been adopted earlier in the meeting.

Draft resolution II: Programme budget for the biennium 2006-2007

32. **The Chairman** drew attention to draft resolution II. Section A dealt with revised budget appropriations for the biennium 2006-2007, section B with revised income estimates for the biennium 2006-2007, and section C with financing of the appropriations for the year 2007.

33. *Draft resolution II was adopted.*

34. **The Chairman** recalled that draft decisions I and II had been adopted at previous meetings. He would take it that the Committee wished to adopt the draft report on the programme budget for the biennium 2006-2007, as contained in chapters I and II of document A/C.5/61/L.30.

35. *The draft report was adopted.*

Agenda item 116: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*) (A/C.5/61/L.21 and A/C.5/61/L.31)

Draft resolution A/C.5/61/L.21: Proposed programme budget outline for the biennium 2008-2009

36. **Mr. Abelian** (Secretary of the Committee) said that by paragraph 7 of the draft resolution the General Assembly would invite the Secretary-General to prepare his proposed programme budget for the biennium 2008-2009 on the basis of a preliminary estimate of $4,194,726,800 at revised 2006-2007 rates; by paragraph 11 the Assembly would decide that the contingency fund should be set at the level of 0.75 per cent of the preliminary estimates, namely at $31,460,500.

37. *Draft resolution A/C.5/61/L.21 was adopted.*

Draft decision A/C.5/61/L.31: Questions deferred for future consideration

38. **The Chairman** said that the first part of the resumed sixty-first session would be held in March 2007 and the second part in May 2007.

39. *Draft decision A/C.5/61/L.31 was adopted.*

Closure of the work of the Fifth Committee at the main part of the sixty-first session of the General Assembly

40. After an exchange of courtesies, in which **Ms. Lock** (South Africa), on behalf of the Group of 77 and China, **Ms. Pehrman** (Finland) on behalf of the European Union, **Ms. Rouse** (Grenada), on behalf of the Group of Latin American and Caribbean States, and **Ms. Udo** (Nigeria) on behalf of the African Group took part, **the Chairman** declared that the Fifth Committee had completed its work at the main part of the sixty-first session of the General Assembly.

The meeting rose at 9.50 p.m.